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FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, D.C. 20554

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IN REPLY REFER TO:

MM Docket 92-266

18 FEB 1993

8310-MEA
CN9300459

RECEIVED

FEB 25 1993

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Honorable John C. Danforth
United States Senate
249 Russell Senate Office Building
Washington, DC 20510

Dear Senator Danforth:

Thank you for your letter on behalf of several constituents who complain that cable television rates have increased in advance of the implementation of the Cable Act of 1992.

The Commission has a clear understanding that Congress adopted the Cable Act of 1992 to constrain unreasonable cable rates. The Commission is in the process of formulating rules implementing the rate provisions of the law and is seeking public comment on those provisions that address rate rollbacks, refunds, and evasions of statutory requirements. The Commission will attempt to implement these provisions faithfully, and will consider the conduct of the cable industry during the interim period in deciding what kind of regulation is needed.

Your constituents' letters will be placed in the record of this proceeding so that the Commission can be mindful of their concerns during its deliberations. I trust that the foregoing and the enclosures are informative.

Sincerely,



Roy J. Stewart
Chief, Mass Media Bureau

Enclosures

Congressional

CONGRESSIONAL CORRESPONDENCE TRACKING SYSTEM
02/09/93

LETTER REPORT

CONTROL NO.	DATE RECEIVED	DATE OF CORRESP	DATE DUE	DATE DUE OLA(857)
9300459	02/09/93	01/29/93	02/22/93	

TITLE	MEMBERS NAME	REPLY FOR SIG OF
Senator	John Danforth	BC

CONSTITUENT'S NAME	SUBJECT
several	inq. re: rate regulation & 92 Cable Act

REF TO	REF TO	REF TO	REF TO
MMB	ENR	C&F	

DATE	DATE	DATE	DATE
02/09/93	2/9	2-10	

REMARKS:

ERNEST F. HOLLINGS, SOUTH CAROLINA, CHAIRMAN

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JONATHAN CHAMBERS, REPUBLICAN STAFF DIRECTOR

United States Senate

COMMITTEE ON COMMERCE, SCIENCE,
AND TRANSPORTATION

WASHINGTON, DC 20510-6125

*nmb
CATV - Rates
459*

Janaury 29, 1993

Mr. Steven Klitzman
Associate Director, Legislative Affairs
Federal Communications Commission
1919 M Street, N.W.
Washington, D.C. 20554

Dear Mr. Klitzman:

Enclosed are copies of letters that were sent to me by several of my constituents. They are concerned about the latest rate increase by their cable companies.

Please take their concerns into account when implementing the Cable Television Consumer Protection and Competition Act of 1992.

Thank you for your consideration.

Sincerely,



John C. Danforth

Enclosures (3)



COMMERCE COMMITTEE
93 JAN -8 PM 8:40

1/22
City of Sikeston

December 18, 1992

Honorable John C. Danforth
United States Senate
249 Russell Senate Bldg.
Washington, D.C. 20510

RE: Cable Rate Increase

Dear Honorable John C. Danforth:

In November of this year the City of Sikeston was notified by the City's cable provider, Falcon Cable TV Company, of a proposed 11% rate increase scheduled to take effect in January, 1993. When our City Council requested an explanation of this rate increase, which is not a result of new or additional services, the local manager would not (or could not) present justification of the local franchise's rate increase.

As a direct result of this failure to provide adequate explanation, the Sikeston City Council passed the enclosed Resolution calling for Falcon Cable TV's reconsideration of the rate increase and notifying the company of the Council's intention to seek certification for the purposes of regulating the operation of cable services within our city limits.

Our Council would like to request your assistance in monitoring actions such as those being exhibited by Falcon Cable TV and to keep them under consideration when establishing the rate rollbacks of the Cable Television Consumer Protection and Competition Act of 1992.

Sincerely,

Stephen J. Borgsmiller,
City Manager

enclosure

pc: Falcon Cable TV Company



RESOLUTION 92-12-01

A RESOLUTION PROTESTING A PROPOSED CABLE TV RATE INCREASE, TO THE CITIZENS OF THE CITY OF SIKESTON, BY FALCON CABLE TV COMPANY, AND REQUESTING POSTPONEMENT OF THIS RATE INCREASE UNTIL THE RELEASE OF THE 1992 CABLE ACT GUIDELINES.

WHEREAS, the Congress of the United States did pass into law the 1992 Cable Bill, instructing, among other things the Federal Communications Commission (FCC) to promulgate regulations to provide for the regulation of service and rates by Cable Companies, and

WHEREAS, the City of Sikeston fully intends to seek certification for the purposes of regulating the operation of cable service within the city limits of Sikeston, and

WHEREAS, the Falcon TV Cable Company has announced a rate increase, following the passage of this legislation, but prior to the effective date of these regulations, and

WHEREAS, the rate increase for Antenna Basic and Basic Tier service is equal to 11% which is significantly higher than the rate of inflation, but without any corresponding increase in service for the subscribers of this cable system, and

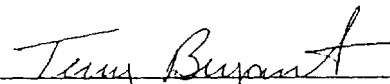
WHEREAS, this proposed action by Falcon Cable TV Company appears ambiguous in regard to the operation of the local franchise.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF SIKESTON, MISSOURI AS FOLLOWS:

That the City of Sikeston requests the thoughtful reconsideration of this rate adjustment by Falcon Cable TV, and that they postpone implementation of this increase until such time as the regulations of the new law shall take effect, and then only within the confines of the guidelines and consideration set forth in FCC regulation developed pursuant to the 1992 Cable Bill.

Executed at the order of the City Council; Terry Bryant, Charles Leibler, Marion Thompson, Mike Moll and Josh Bill, Councilmen, in regular convention, this 16th day of December, 1992.

Read this 16th day of December, 1992, discussed and approved.


Terry Bryant, Mayor


Carroll Couch, City Clerk

ATTEST:



City of Sikeston

December 18, 1992

Honorable Bill Emerson
House of Representatives
418 Cannon House Bldg.
Washington, D.C. 20515

RE: Cable Rate Increase

Dear Honorable Bill Emerson:

In November of this year the City of Sikeston was notified by the City's cable provider, Falcon Cable TV Company, of a proposed 11% rate increase scheduled to take effect in January, 1993. When our City Council requested an explanation of this rate increase, which is not a result of new or additional services, the local manager would not (or could not) present justification of the local franchise's rate increase.

As a direct result of this failure to provide adequate explanation, the Sikeston City Council passed the enclosed Resolution calling for Falcon Cable TV's reconsideration of the rate increase and notifying the company of the Council's intention to seek certification for the purposes of regulating the operation of cable services within our city limits.

Our Council would like to request your assistance in monitoring actions such as those being exhibited by Falcon Cable TV and to keep them under consideration when establishing the rate rollbacks of the Cable Television Consumer Protection and Competition Act of 1992.

Sincerely,

A handwritten signature in black ink, appearing to read "Stephen J. Borgsmiller".

Stephen J. Borgsmiller,
City Manager

enclosure

pc: Falcon Cable TV Company





City of Sikeston

December 18, 1992

Marc Nathanson, Chairman
Falcon Cable TV
1009 Wilshire Blvd.
15th Floor
Los Angeles, Calif. 90024

RE: Cable Rate Increase

Dear Mr. Nathanson:

In November of this year the City of Sikeston was notified by the City's cable provider, Falcon Cable TV Company, of a proposed 11% rate increase scheduled to take effect in January, 1993. When our City Council requested an explanation of this rate increase, which is not a result of new or additional services, the local manager could not present adequate justification of the local franchise's rate increase other than to refer to a pamphlet citing a regional loss. This "loss" comes as a surprise in light of your statements made in the November 30, 1992, edition of "Cablevision" citing a positive cash flow in all of Falcon's systems.

As a direct result of this failure to provide adequate explanation, the Sikeston City Council passed the enclosed Resolution calling for Falcon Cable TV's reconsideration of the rate increase. We are requesting your assistance in obtaining a postponement of the scheduled increase until the 1992 Cable Television Consumer Protection and Competition Act's rulings and established rates are released by the FCC.

Sincerely,

A handwritten signature in black ink, appearing to read "Stephen J. Borgsmiller".

Stephen J. Borgsmiller,
City Manager

enclosure

pc: Federal Communications Commission
Senator John Danforth
Senator Christopher Bond
Representative Bill Emerson





Boys

December 29, 1992

Mr. Stephen J. Borgsmiller
City Manager
City of Sikeston
105 East Center Street
Sikeston, Missouri 63801

Dear Mr. Borgsmiller:

Since Marc Nathanson is out of town, I would like to take this opportunity to respond to your letter dated December 18, 1992 regarding our rate increase. I appreciate you writing regarding your concerns. I want to assure you that no one, including Falcon, likes to implement rate increases, and we will do our best to keep them to a minimum.

While it is true that our January 1, 1993 increase does approximate 11%, it needs to be viewed in light of the fact that our rate for other service levels did not increase. As a result, when you look at the average increase in our subscribers' bills, it will be in the 7% area. Also, the increase last year was less than 2% for the average subscriber before reflecting new services, increase in the cost of existing programming services, and other cost increases.

As you may remember, in December of 1991, the Disney Channel was launched to all customers, a service which was previously an optional pay channel costing \$7.50 a month, and only available to those customers willing to pay the additional price. Also in December of 1991, TNT was launched to all customers, a service previously not available to anyone in Sikeston.

The following is a breakdown of the Sikeston rate increases for our basic and tier service levels.

<u>YR</u>	<u>Basic Rate</u>	<u>Tier Rate</u>	<u>Total</u>
1991	17.00	3.00	20.00
1992	17.50	3.00	20.50
1993	18.38	4.35	22.73

(more)

Borgsmiller/Page Two

As you can see, the total increase from 1991 to 1993 equates to 13.6% or an average of only 4.5%. If you only adjust for programming increases for new and existing services (i.e. Disney, TNT, etc.), our average rate increase over this period was below the rate of inflation. In addition, as previously stated, rates for other service levels will not go up on January 1, 1993, which will result in an even smaller average increase for our subscribers.

If viewed in the context of our 1991 rate increase, increases in programming and related costs, and the fact that various service levels did not have any increase, we believe that the overall change in our rate structure is reasonable. As a further piece of information to support this view, it is important for you to realize that our programming costs have increased at a rate of several times our percentage increase. Specifically, 1991 vs. 1992 programming costs have increased over 61%.

Ron Hall, our Divisional Vice President located in Washington, MO, will be in contact with you over the next several days to discuss any further questions you or the council may have regarding our rates.

I hope the information I have supplied has answered your concerns, but more importantly, I want to assure you again that we are striving to provide the best possible service at a fair and reasonable price to all of our customers.

Very truly yours,



Frank Intiso
President and Chief Operating Officer

cc: Joe Johnson
Ron Hall
Federal Communications Commission
Senator John Danforth ✓
Senator Christopher Bond
Representative Bill Emerson

FI/kc

Belton, Mo.
Dec. 28, 1992

COMMERCE COMMITTEE
93 JAN -8 PM 8:39

Hon. John C. Danforth,
% Legal Dept.
249 Russell Office Bldg.
Washington, D. C. 20510.

Dear Senator Danforth:

The enclosed letter is factual, and speaks for itself. Drastic action is called for in this very serious matter.

Would you please be kind enough to have your staff pass copies of this enclosed letter to concerned colleagues in the Senate?

Sincerely,
Lionel L. Todd

Additional information.

Even though Beautiful Savior is registered with the Secretary of State's office as a Not-for-profit Corporation, residents of this facility do not benefit from the thousands of dollars in Cash, Merchandise, and food. The money goes into the Corporation, and most all of the Merchandise and foodstuff is carried home by Members of the Administrators staff.

L.L.T.

Page 2.

There is the multiple question of, — Who, why, where, and when? Why does Congress pass these laws if they are not going to be enforced? According to the news, all of the large Companies are raising their rates.

Rates in the Annex part of this Health Care facility were increased in November. Their rates increased by approximately \$1,000 ~~or~~ a year. There are many other aspects of this unjustified action by the Cable Companies that need very close scrutiny by those who are elected to enforce the law.

The home base for the Jones Corporation is a Colorado Company, and their registered agent is the C. T. Corp. Systems, 905 Olive St. Saint Louis, Mo. 63101. Prentice Hall, Corp. System, 222 E. Franklin, Jefferson City, Mo. 65101, is the Agent for American Cablevision.

Multiple Copies of this letter are being sent to responsible agencies, as well as law-makers in Washington and Jefferson City with hope of some action.

Sincerely,
Lionel L. Felt

% Beautiful Savior Home,
1003 S. Cedar St.
Belton, Mo. 64012.

Page 1 of 2.

Belton, Mo.
Dec. 28, 1992.

Federal Communication Commission,
% Engineer, or Person in Charge,
8800 East 63rd. Street,
Kansas City, MO. 64133.

To Whom it may Concern:

This letter is written in an effort to rectify a great injustice being imposed upon those who subscribe and pay for Cable Television. — Also those who do without.

While knowing about the new regulations on television cable monopolies, many of the companies have already pooled their efforts in order to beat and circumvent the law. Already, Jones and American Cablevision have raised their rates twenty percent in this area. The areas that are assigned to them appear to be under some kind of collusion, as the two companies are now combined together in their T.V. advertising commercials. They advertise locally together.

It is also a fact that some of those who need this service the most are being denied service in the local health care facilities. Discrimination is also being practiced, as one part of this facility has cable, while the other unit of Beautiful Savior (the medicare section) is without.

1/22

Honorable John C. Danforth
U. S. Senate Office Building
Washington, D. C. 20510

COMMERCE COMMITTEE
93 JAN -8 PM 8:40

December 19, 1992

Dear Senator Danforth:

Why is the lame duck Director of the Federal Communications Commission sitting on his hands and indicating it will be mid-1993 before the rate regulation, guidelines and rules will be implemented.

You touted this bill and we have not heard much from you regarding our situation here in St. Peters, Mo. You certainly must know in the 13 years TCI has been in this community we have had a nearly 300% increase in rates.

TCI has now advised effective January 1993 increase in basic cable of 4%, expanded basic 7%, plus a .45¢ increase in HBO. Does your bill provide for this???

Apparently it does I quote them "Based on current information, we believe the rate adjustments we are taking are consistent with the provisions of the new law". How come they know so much about the contents of the bill and FCC Chairman Alfred C. Sikes will need six months to implement, which appears to be impossible, since he apparently has about one month left to do nothing.

Do you have any influence with the FCC to get on the ball before we all cancel cable???

Sincerely,

Charles M. Kohlmeier
CHARLES M. KOHLMAYER

247 Timberbrook Drive
Saint Peters, MO 63376-1273

ONE OF THE FIXED INCOME 300 percenters